

TAXES TO PAY FOR RECOVERY AS SKY CLEARS

Mellon's Billion-a-Year Record of Debt Reduction Cited as Precedent.

By Scripps-Howard Newspaper Alliance
WASHINGTON, July 20.—There are two ways to pay the bill for economic recovery—increased taxation, and inflation.

The administration has chosen the tax method, while using a mild dose of inflation through dollar devaluation and silver purchases to boost commodity prices and shave down private indebtedness.

President Roosevelt, in setting up the recovery agencies, banked on the willingness of the people to pay the cost later as improving business puts money back into their pockets. He has found a general realization among Americans that the printing-press method of paying debts is the road to ruin.

Prepare to Meet Cost

So we will find the next congress preparing to meet the cost of recovery by increasing taxes.

Republicans are complaining about the cost. Generally they accepted the necessity of economic stimulants and voted for them in congress. For political purposes some of their spokesmen now are taking a different tack, in effect repudiating the judgment of Republicans in house and senate.

When they were in power they found the American people willing to pay the cost of a foreign war. The bright star in the crown of Andrew W. Mellon was the manner in which he carried on the work begun by a Democratic administration in cutting down the national debt, which was piled up to a new level by World war outlays.

The debt reached its previous peak in August, 1919, when it stood at \$25,596,000,000. In eleven years it was reduced more than \$9,500,000,000 to \$16,000,000,000 on Dec. 30, 1930. Then it began to climb again as depression diminished revenues.

G. O. P. Is Blamed

Payment of nearly two-fifths of the debt was accomplished despite repeated tax reductions which Mr. Mellon and congress carved from prosperity.

Had the Republican administration, in prosperous times, withstood political pressure and kept taxes high, the country would not now be confronted with so imposing a debt. But the achievement in reducing the total nearly a billion dollars a year during that period shows what can be done.

When the Roosevelt administration began on March 4, 1933, the debt stood at \$20,934,000,000. It is estimated that it will reach \$31,834,000,000 next July 1, which the administration anticipates will be the peak. Thereafter it hopes to begin scaling the figure down.

This is an increase of \$10,900,000,000.

But in the same length of time, from March 31, 1917, to Aug. 31, 1919, the public debt increased more than \$25,000,000,000. It rose from \$1,282,000,000 to \$26,596,000,000 to pay for the World war.

No one was alarmed at the price. It was accepted as the price of war.

Report Is Encouraging

From the treasury has just come an encouraging report. Internal revenue collections increased a billion dollars in the last fiscal year. The Roosevelt recovery program already is beginning to pay cash dividends. But taxes are not yet up to the level to which willing congress raised them to pay for the war.

To prepare for further increases at the next session the house ways and means committee is making a careful study this summer. To divide the territory between local units and national government, Secretary of the Treasury Henry Morgenthau Jr. has arranged a conference with state and local officials.

HORIZONTAL

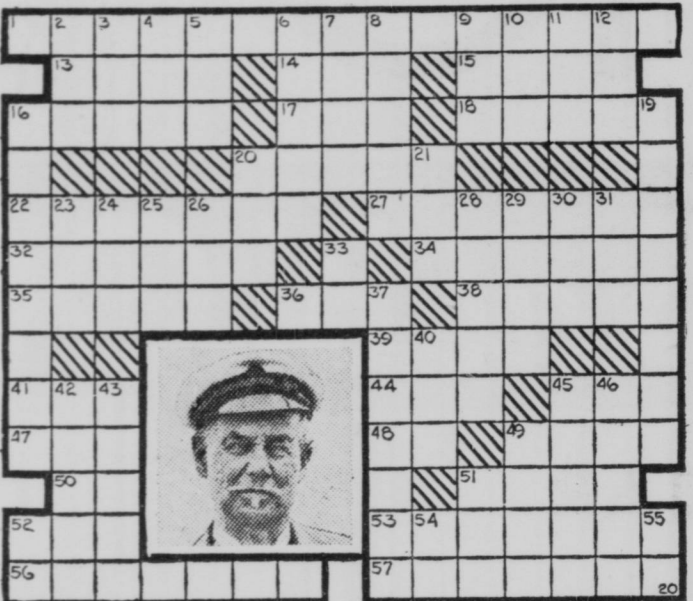
1 Who was the famous merchant in the picture?
13 To entice.
14 War flyer.
15 Frame of mind.
16 Quantity of yarn.
17 To bow.
18 Bear-like mammal.
20 Sea skeleton.
22 Flyer.
27 Ballroom basket.
32 Looking-glass.
34 Calling in life.
35 Scraped the lawn.
36 Twice.
38 Semidiameters.
39 Garden tools.
41 Puss.
44 Aurora.
45 Tiny vegetable.
47 Primitive Siamese.
48 Ream (abbr.).
49 College official.
50 Sun god.

Answer to Previous Puzzle

LILLIAN RUSSELL
SOOTY ABA DUDA
SLOT AVENUE MOTH
PETT SWINEAT MOTA
BIBINU SOT DO
AGUNATE BOA O
KING TRYST TAXI
SULE LILLIAN GEM
CA EM LILLIAN GEM
DOU LILLIAN GEM
AIDS LILLIAN GEM
CEDAN LILLIAN GEM
MUSICAL COMEDIES

20 The heart.

21 Varnish ingredient.
23 By way of.
24 To annoy.
25 Form of "be."
26 Thick shrub.
28 Anxieties.
29 Ages.
30 Guided.
31 Rumanian coins.
32.1.14.
37 Chief officer of a county.
40 Uncle.
42 Pertaining to the ear.
43 Hair ornament.
45 Lost to view.
46 Devoured.
49 Toothlike notch.
51 To murmur as a cat.
52 Giant king of Bashan.
54 Yellow Hawaiian bird.
55 Second note.



Local taxation is by far the heavier burden.

Congress was timid about increasing taxes at the last session. Its eyes were on the elections. An actual reduction was made in present taxes on incomes up to \$30,000. This potent source of revenue undoubtedly will be tapped when congress drafts the next tax bill.

Income tax rates in this country are the lowest of any major nation. They look small when compared with those which the British people, tightening their belts, are now paying and which recently produced a balanced budget in Great Britain.

A single man with \$3,000 taxable income pays \$20 in the United States and \$31 in England; \$5,000 taxable income, \$100 in this country, \$711 in Great Britain; \$10,000, \$480 here, \$1,862 in England; \$25,000, \$2,520 here, \$7,369 there; \$50,000, \$8,800 here, \$19,654 in Great Britain.

Hand in hand with increased taxes will go the Roosevelt economy program, which already has achieved large savings in the ordinary running expenses of the government by merging bureaus, eliminating services that duplicate or overlap, and reducing expenditures. Despite the congressional revolt on behalf of war veterans, the savings through the economy act still amount to about \$375,000,000 a year.

CREW SPEARS SERPENT, BUT IT WIGGLES LOOSE

Latvians Tell of Battle With Sea Monster Off Scotland.

By United Press
AARTUS, Denmark, July 20.—Now sea serpents are getting off the hook.

The captain and crew of the Latvian steamship Elsa Cro reported today that off Three Island, Scotland, they harpooned a sea serpent.

The chain broke. The ship's master said it could not have been a whale or shark. It had a snakelike head, thick neck, elephantine body and a long tapering tail.

U. S. HAS TOO MANY FOREIGNERS, AVERS 'UNCLE' BUTLER, 121

By United Press

ATLANTA, July 20.—"Uncle" Wilson Butler, 121-year-old former Negro slave, looked back over a century of history today and decided that what ailed this country was too many foreigners.

"The influx of foreigners is what ails this country," Uncle Butler said, speaking in his excellent English. He neither can read nor write, however. "I know that is what is the matter because I've seen the south when it was being developed from sheer wilderness."

Authentic records of the South Carolina Historical Society show that Uncle Butler was born March 10, 1813, in the Saluda district in South Carolina.

The aged dandy, whose home is in Nashville, Ga., longs for the good old days before the war between the states when "food was plentiful and every Negro quarter was well taken care of."

Farmer Killed in Crash

By United Press

LA PORTE, Ind., July 20.—Henry Carpenter, 64-year-old farmer, was killed instantly yesterday when his milk truck was struck by a Baltimore & Ohio passenger train at Wellsboro, south of here.

INEXPENSIVE— FOOT COMFORT

Cutting corns is liable to cause blood poisoning. Plaster and salves usually take 3 days of drawing—even then results are unsatisfactory. None of these objectionable processes are necessary when you use the new discovery called "Skoot." Put a few drops of this greaseless, white liquid on your feet. It takes out all soreness instantly and prevents friction. In a few days "Skoot" so toughens tender skin that you wonder where your corns, callouses and bunions have gone. Burning, itching feet feel like new. 35 cents at Hook's, Haag's, Wagon's and all other druggists. Satisfaction guaranteed.—Advertisement.



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in your Vacation Plans

Telephone"

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☞ The charge is surprisingly small. After 8:30 P.M. many station-to-station rates are about 40 percent lower than during the daytime.

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and
Young
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COOL



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\$1.35 STRAWS, 68c

\$1.98 Panamas, 98c



\$1.98 Straws, 98c

\$2.98 Panamas, \$1.48

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